



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2015 TMOB 49
Date of Decision: 2015-03-20

**IN THE MATTER OF AN OPPOSITION
by Bevertails Brands Inc. and 88766
Canada Inc. to application No. 1,496,123
for the trade-mark BEAVER HUTS in the
name of Colin Kee**

[1] Bevertails Brands Inc. and 88766 Canada Inc. (collectively referred to as the Opponent) oppose registration of the trade-mark BEAVER HUTS (the Mark) that is the subject of application No. 1,496,123 by Colin Kee (the Applicant). The application is based on proposed use of the Mark in Canada in association with the following goods and services:

Goods:

- (1) Chocolate and chocolate confectionery.
- (2) Candy.
- (3) Ice-cream and frozen confectionery.
- (4) Edible nuts.
- (5) Printed and electronic publications, namely, brochures and flyers.
- (6) Promotional items, namely, hats, key chains, writing pencils, pens, coffee mugs, and fridge magnets.

Services:

- (1) Operation of retail candy stores.
- (2) Offering technical assistance in the establishment and operation of candy stores.
- (3) Operating a website providing information in the field of chocolate and chocolate confectionery, candy, ice-cream and frozen confectionery, and edible nuts.

[2] The Opponent alleges that: (i) the application does not comply with the requirements of section 30 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act); (ii) the Mark is not registrable under section 12(1)(d) of the Act; (iii) the Applicant is not the person entitled to registration of

the Mark under section 16(3) of the Act; and (iv) the Mark is not distinctive under section 2 of the Act.

[3] For the reasons that follow, I refuse the application.

The Record

[4] The Opponent filed its statement of opposition on June 13, 2011. The Applicant then filed and served his counter statement on August 18, 2011 denying all of the grounds of opposition.

[5] In support of its opposition, the Opponent filed the affidavit of Anthony Di Ioia, Chief Financial Officer of Beavertails Brands Inc. (Beavertails Brands) and of Beavertails Canada Inc. (Beavertails Canada), and certified copies of registration Nos. TMA265,087, TMA420,972 and TMA505,220 (BEAVERTAILS trade-marks).

[6] In support of his application, the Applicant filed his own affidavit.

[7] The affiants were not cross-examined. Only the Opponent filed a written argument and was represented at an oral hearing.

The Parties' Respective Burden or Onus

[8] The Applicant bears the legal onus of establishing, on a balance of probabilities, that his application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298].

[9] I will now consider the grounds of opposition, starting with the section 12(1)(d) ground.

Is the Mark Confusing with the Opponent's Registered Trade-marks?

[10] In its statement of opposition, the Opponent alleges that the Mark is not registrable pursuant to section 12(1)(d) of the Act, on the ground that it is confusing with the Opponent's

registered BEAVERTAILS trade-marks, particulars of which are set out in Schedule “A” to this decision.

[11] The material date for considering this issue, which arises from the section 12(1)(d) ground of opposition, is the date of my decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)].

[12] Having exercised the Registrar’s discretion to check the Register, I confirm that all three of the Opponent’s registrations for the BEAVERTAILS trade-marks are in good standing. The Opponent has therefore met its initial evidential burden in relation to this ground of opposition.

[13] Since the Opponent has satisfied its initial evidential burden, the issue becomes whether the Applicant has met its legal burden to establish, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and any of the Opponent’s registered trade-marks.

[14] For reasons that follow, I accept this ground of opposition and decide this issue in favour of the Opponent.

The test for confusion

[15] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the goods or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

[16] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; (b) the length of time each has been in use; (c) the nature of the goods, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. These enumerated factors need not be

attributed equal weight. [See *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée et al* (2006), 49 CPR (4th) 401 (SCC); and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC) for a thorough discussion of the general principles that govern the test for confusion.]

[17] In my opinion, comparing the Mark and the trade-mark BEAVERTAILS of registration No. TMA420,972 will effectively decide the section 12(1)(d) ground of opposition. In other words, if confusion is not likely between the Mark and BEAVERTAILS, then it would not be likely between the Mark and any of other registered trade-marks alleged by the Opponent.

[18] I will now turn to the assessment of the section 6(5) factors.

Section 6(5)(a) – the inherent distinctiveness of the trade-marks and the extent to which they have become known

[19] The overall consideration of the section 6(5)(a) factor, which involves a combination of inherent and acquired distinctiveness of the parties' trade-marks, favours the Opponent. I assess both parties' trade-marks to have a fair degree of inherent distinctiveness. While they both consist of ordinary words of the English language, neither is descriptive or suggestive of their respective goods or services.

[20] The strength of a trade-mark may be increased by means of it becoming known in Canada through promotion or use. The Applicant has not provided any evidence of promotion or use of the Mark to date. Conversely, the Opponent provided substantial evidence of promotion and use of its trade-mark BEAVERTAILS in Canada through Mr. Di Ioia's affidavit.

[21] In his affidavit, Mr. Di Ioia states that the Opponent is a chain of take-out restaurants selling pastries and other confectionary items that opened its first permanent store in Ottawa's Byward Market in 1980. According to Mr. Di Ioia, Beavertails Canada, a company associated with Beavertails Brands, operates over 95 franchised and licensed BEAVERTAILS stores across Canada. Attached as Exhibit 1 are pictures of the take-out restaurants and stands located in Canada. The trade-marks BEAVERTAILS and QUEUES DE CASTOR are prominently displayed at the exterior of the establishments.

[22] In terms of control, Mr. Di Ioia states that the Opponent has, and has always had, direct control over the character or quality of the products manufactured and sold, as well as the services performed by, Beavertails Canada under the trade-marks BEAVERTAILS and QUEUES DE CASTOR in Canada.

[23] In terms of use, Mr. Di Ioia states that the trade-marks BEAVERTAILS and QUEUES DE CASTOR, its French equivalent, have been used by Beavertails Canada or its predecessors-in-title under license for more than 30 years in Canada in association with pastries and take-out restaurant services, in addition to various merchandising products such as clothing, outerwear and novelty items sold to customers. According to Mr. Di Ioia, Beavertails Canada also introduced a new product under the trade-mark BEAVER BITES in 2006, which consists of round shaped small pastry “bites” served with ice cream. Mr. Di Ioia further states that there are at least eight of the BEAVERTAILS stores that also sell candies, chocolates, ice cream and frozen confectioneries that can be purchased on their own or as garnishments for the Opponent’s pastries, since at least June 2009.

[24] Attached as Exhibit 2 are pictures of treat shops where a large display of candies, chocolate, and frozen treats can be seen. Attached as Exhibit 3 are sample menus that the Opponent, through Beavertails Canada, has been using since 2009. I note that the trade-marks BEAVERTAILS and QUEUES DE CASTOR appear on the upper left hand corner of the menus. There are also photos of containers of small pastry treats with ice cream bearing the trade-marks BEAVERTAILS, BEAVER BITES and BOUCHÉES DE CASTOR.

[25] In terms of sales, Mr. Di Ioia states that Beavertails Canada has never sold less than 1.8 million units of pastries, as well as additional ancillary confectionery products, per year in Canada since at least 2003. The affiant also provides the sales volume of the BEAVER BITES pastry with ice cream treats between 2006 and 2011, which varied between 10,000 and more than 64,300 units annually, totaling over 220,000 units in that period of time.

[26] As for clothing, accessories and novelty items, attached as Exhibit 8 are printouts of webpages from *www.cafepress.ca* extracted on December 13, 2011 where BEAVERTAILS branded merchandise are said to be available for purchase. Photos of shirts, caps and bags

bearing the trade-mark BEAVERTAILS can be seen on the printouts. No additional sales information is provided for these items.

[27] In terms of advertising, Mr. Di Ioia states that the average annual expenditures spent by Beavertails Canada for the promotion and advertising of its stores and products in Canada, including for the trade-marks BEAVERTAILS and BEAVER BITES, have been approximately \$165,000 since at least 2003. In this regard, Mr. Di Ioia attaches the following:

- Exhibit 4-A: a printout of the Beavertails Canada's Facebook page with a copy of an online coupon, said to be from 2011. The trade-marks BEAVERTAILS and QUEUES DE CASTOR are shown prominently on the printout and the coupon;
- Exhibit 4-B: a copy of a media document about BEAVERTAILS pastries, said to be published on Beavertails Canada's website in 2009. There are numerous references to BEAVERTAILS pastries in the document;
- Exhibits 4-C, 4-D and 4-E: copies of ads said to have been published in the 2010-11 winter edition of *Voilà Québec*, in the November 2011 edition of a Barrie newspaper, in the Fall 2010 and 2011 issues of *Franchise Canada Magazine*, in the February 2010 issue of *Ontario Restaurant News*, and in the March/April 2006 issue of *Magazine Le Chef*. The trade-marks BEAVERTAILS, QUEUES DE CASTOR, BEAVER BITES and BOUCHÉES DE CASTOR can be seen on the print ads. Circulation numbers of the publications were not provided;
- Exhibits 4-F and 4-G: pictures of the Opponent's booth, said to have been taken at a 2005 Franchise Show and a 2011 tradeshow in Toronto. The trade-marks BEAVERTAILS and QUEUES DE CASTOR appear prominently in each picture;
- Exhibit 4-H: a photo of a promotional vehicle bearing the trade-mark BEAVERTAILS. No other information on the vehicle is provided; and
- Exhibit 7: sample printouts from Beavertails Canada's website located at www.beavertailsinc.com, said to have been available since at least 1997, where the Opponent advertises products and services under the trade-marks BEAVERTAILS, QUEUES DE CASTOR, and since at least as early as 2009, BEAVER BITES. Approximately 52,700 views from Canadian visitors are said to have taken place in 2009. The trade-mark BEAVERTAILS appears on the upper left corner of the webpages, with a

photo of a container of small pastry treats with ice cream bearing the trade-marks BEAVER BITES and BOUCHÉES DE CASTOR, as well as a photo of a pastry shown in a wrapper bearing the trade-mark BEAVERTAILS.

[28] In terms of recognition, Mr. Di Ioia attaches as Exhibit 5 a press kit containing articles published in numerous Canadian publications by third parties between 2000 and 2006, and in 2011, regarding Beavertails Canada and BEAVERTAILS pastries. The exhibit includes articles from *The Ottawa Citizen*, *The Ontario Business Report*, *Ottawa Business Journal*, *The Ottawa Sun*, *The Globe and Mail*, *enRoute*, *Le Droit* and *La Presse*. Attached as Exhibit 6 is an article published by *Newswire* in February 2010 about BEAVERTAILS pastries at the Vancouver Winter Olympic Games, as well as screen captures of videos posted online showing stores and pastries with wrappers bearing the trade-mark BEAVERTAILS, said to be part of the Vancouver Winter Olympic Games' media coverage in 2010.

[29] When Mr. Di Ioia's affidavit is read in its entirety, I am satisfied that the Opponent's trade-mark BEAVERTAILS has become known through extensive use and promotion in association with pastries and take-out restaurant services in Canada for a significant period of time. As there is no evidence of promotion or use of the Mark in Canada, it can only be concluded that the Opponent's trade-mark has become known in Canada to a greater extent than the Mark.

[30] Accordingly, the section 6(5)(a) factor favours the Opponent.

Section 6(5)(b) – the length of time the trade-marks have been in use

[31] As per my review of Mr. Di Ioia's affidavit, the overall consideration of the section 6(5)(b) factor clearly favours the Opponent as there is no evidence of use of the Mark by the Applicant in Canada to date.

Sections 6(5)(c) and (d) – the nature of the goods, services, trade and business

[32] The sections 6(5)(c) and (d) factors, which involve the nature of the goods, services, trade and business of the parties, also favour the Opponent.

[33] When considering sections 6(5)(c) and 6(5)(d) of the Act, it is the statement of goods and services as defined in the application for the Mark and that in the Opponent's registration No. TMA420,972 that govern the assessment of the likelihood of confusion under section 12(1)(d) of the Act [see *Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); and *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)].

[34] There is a close connection between the parties' goods and services as both offer food products and promotional and novelty items, in addition to the operation of food establishments. The Mark is applied for use in association with various snacks such as chocolate, candies, ice cream, nuts, promotional items, as well as the operation of candy stores and a website providing information about snacks. In comparison, the Opponent's trade-mark BEAVERTAILS is registered for use in association with sweet pastry, clothing and novelty items, as well as restaurant services.

[35] As mentioned above, the Opponent offers candies, chocolates, ice cream and frozen confectioneries that can be purchased on their own or as garnishments for the Opponent's pastries as part of its "treat shops" since at least June 2009. There is also evidence that the Opponent offers small pastry treats with ice cream at its BEAVERTAILS establishments.

[36] In his affidavit, Mr. Kee states that the "Beaver Huts product concept is not in conflict or competition with the business of [the Opponent]" and that "the Beaver Huts trademark is inextricably tied to the Beaver Huts product concept and cannot be separated from the product concept without complete dilution of the brand name". No additional information or corroborating evidence is provided in this regard. As such, I am unable to make any determinations as to the probable type of business or trade intended by the Applicant.

[37] In the absence of evidence from the Applicant and given that the parties' goods and services are closely connected, for the purpose of assessing confusion, I conclude that there is also potential for overlap between the parties' channels of trade.

Section 6(5)(e) – the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

[38] When considering the degree of resemblance, the law is clear that the trade-marks must be considered in their totality. It is not correct to lay them side by side and compare and observe similarities or differences among the elements or components of the trade-marks.

[39] There is a fair degree of resemblance between the parties' marks owing to their identical first component BEAVER. In this regard, the first portion of a trade-mark is usually considered more important for assessing the likelihood of confusion [see *Conde Nast Publications Inc v Union des Editions Modernes* (1979), 46 CPR (2d) 183 at 188 (FCTD)]. Thus, I agree with the Opponent that when considered in their entirety, there are similarities in appearance and sound between the parties' marks due to their identical first portion. There are also similarities in the ideas suggested as both trade-marks evoke particularities associated with the animal – the beaver.

[40] Accordingly, this factor favours the Opponent.

Additional surrounding circumstances

[41] In his affidavit, Mr. Kee sets out six trade-marks that include the term “BEAVER” and attaches as Exhibit 1 excerpts of five trade-marks from the Canadian Intellectual Property Office's trade-marks database.

[42] State of the register evidence is purported to show the commonality or distinctiveness of a trade-mark or portion of a trade-mark in relation to the register as a whole. It is only relevant insofar as inferences may be made with respect to the state of the marketplace, and inferences about the state of the marketplace can only be drawn when a significant number of pertinent registrations are located [see *Ports International Ltd v Dunlop Ltd* (1992), 41 CPR (3d) 432 (TMOB); *Welch Foods Inc v Del Monte Corp* (1992), 44 CPR (3d) 205 (FCTD); and *Maximum Nutrition Ltd v Kellogg Salada Canada Inc* (1992), 43 CPR (3d) 349 (FCA)].

[43] A review of the excerpts attached to Mr. Kee's affidavit reveals that out of the five trade-marks referenced, one was simply an application that has yet to be examined. As for the remaining four trade-marks, while they are associated with food related goods and services such

as candy, nuts, seeds, popcorn, and the operation of a cafe, two registrations belong to the same entity. In my view, this is insufficient to make any inferences about the state of the marketplace.

[44] Accordingly, I conclude that the state of the register and of the marketplace evidence is of no assistance to the Applicant's case.

Conclusion in the likelihood of confusion

[45] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection. Having considered all of the surrounding circumstances including substantial evidence of promotion and use of the Opponent's trade-mark BEAVERTAILS in Canada, the close connection between the parties' goods and services, the potential for overlap between the channels of trade, and clear similarities between the parties' trade-marks, I am not satisfied that the Applicant has discharged its burden of showing, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and BEAVERTAILS.

[46] As I find that comparing the Mark with BEAVERTAILS of registration No. TMA420,972 effectively decided the outcome of this ground of opposition, it is not necessary to consider whether the Opponent has discharged its evidential burden for its other registered trade-marks (Nos. TMA265,087 and TMA505,220).

Non-entitlement and Non-distinctiveness Grounds of Opposition

[47] Even though the material dates for the section 16 and distinctiveness grounds of opposition fall earlier than today's date, on the filing date of the subject application, namely, September 16, 2010, and the filing date of the statement of opposition, namely, June 13, 2011, the different dates do not result in a different outcome.

[48] The evidence summarized above with respect to the use and promotion of the trade-mark BEAVERTAILS is sufficient to meet the Opponent's burden under these grounds of opposition. For the reasons set out with the section 12(1)(d) ground of opposition, there is a reasonable likelihood of confusion between the Mark and the trade-mark BEAVERTAILS; these grounds therefore succeed.

Remaining Grounds of Opposition


[49] Since I have already refused the application under three grounds, I do not consider it necessary to address the remaining grounds of opposition.

Disposition

[50] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application under section 38(8) of the Act.

Pik-Ki Fung
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

Schedule “A”

Opponent’s Registered Trade-mark	Reg. No.	Goods and Services
BEAVER TAILS	TMA265,087	Goods: (1) Pastry, namely deep-fried sweet dough. Services: (1) Take-out restaurant.
BEAVERTAILS	TMA420,972	Goods: (1) Pastry, namely, deep-fried sweet dough, clothing and outerwear, namely, t-shirts, shirts, aprons; accessories, namely, scarves and hats; novelty items, namely, flags, pennants, tote bags, balloons, key chains, mugs, drinking glasses, maps. Services: (1) Restaurant services namely take-out restaurant and food services.
	TMA505,220	Goods: (1) Pastry, namely deep-fried sweet dough, clothing and outerwear, namely, t-shirts, shirts, aprons; accessories, namely, scarves and hats; novelty items, namely, flags, pennants, tote bags, balloons, key chains, mugs, drinking glasses, maps. Services: (1) Restaurant services, namely, take-out restaurant and food services.